



ASTECC

ASTECC LIFESCENCES LIMITED

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Notification dated 8th July, 2016 issued by the Securities and Exchange Board of India (“SEBI”), the Board of Directors of Astec LifeSciences Limited (“the Company”) at its Meeting held on 4th May, 2017 has adopted this Dividend Distribution Policy.

2. BACKGROUND

Dividend is the payment made by a Company to its Shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business for acquisitions, expansion or diversification or it can be distributed to the Shareholders. The Company may choose to retain a part of its profits and distribute the balance among its Shareholders as dividend. This Policy aims to reconcile between all these needs. The Company has been declaring dividend since securities of the Company got listed on BSE Limited and National Stock Exchange of India Limited in the Year 2009. The Company recognizes the need to lay down a broad framework for considering decisions by the Board of Directors, with regard to distribution of dividend to its Shareholders and/or retaining or ploughing back of its profits.

The Company shall post this Policy on the website of the Company (www.astecls.com).

3. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its Stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4. LEGAL PROVISIONS REGARDING PAYMENT OF DIVIDEND

The recommendation, declaration and payment of dividend by the Company is subject to the provisions of Sections 123 and 134(3) of the Companies Act, 2013 (“the Act”) read with the Companies (Declaration and Payment of Dividend) Rules, 2014 (“the Rules”) and Regulations 12, 29, 42, and 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND

The Board will assess the Company’s financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any Financial Year.

The Dividend for any Financial Year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Act and Regulations, as applicable.

6. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- Distributable surplus available as per the Act and Regulations;
- The Company’s liquidity position and future cash flow needs;
- Track record of Dividends distributed by the Company;
- Payout ratios of comparable companies;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution;

- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations/ Covenants of loan agreements;
- Macroeconomic and business conditions in general;
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

In the event of inadequacy of profits, the Board may decide not to declare dividends for that Financial Year or declare dividend out of Free Reserves, subject to the compliance of the Act, Rules and Listing Regulations.

7. UTILISATION OF RETAINED EARNINGS

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc;
- Buyback of shares subject to applicable limits;
- Payment of Dividend in future years;
- Issue of Bonus shares;
- Any other permissible purpose.

8. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company presently has only 1 (one) class of shares, i.e. Equity Shares. Hence, the parameters which are required to be adopted for various classes of shares do not apply to the Company. This Policy is subject to review if and when the Company issues different classes of Shares.

9. MANNER OF DIVIDEND PAYOUT

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the Shareholders at the Annual General Meeting.

The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the Stock Exchanges, as required by Listing Regulations.

(a) In case of Final dividend

(i) The Board shall recommend dividend to the Shareholders, which shall be paid subject to approval of the Shareholders at Annual General Meetings of the Company.

(ii) Dividends shall be paid only out of current profits or past profits after providing for depreciation and setting off losses, if any.

(iii) The amount of the dividend shall be deposited in a scheduled bank in separate account within 5 (five) days from the declaration of dividend.

(iv) The payment of dividend shall be made within 30 (thirty) days from the date of declaration to the Shareholders entitled to receive the dividend on the record date as per the applicable law.

(b) In case of Interim dividend

(i) Interim dividend, if any, shall be declared by the Board.

(ii) Before declaring Interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

(iii) In case no Final dividend is declared at the Annual General Meeting, Interim dividend will be considered as the Final dividend of the Company.

(c) Payment mode

Dividend shall be paid by cheque or warrant or in any electronic mode to the Shareholders entitled to the payment of the dividend. The Dividend shall be delivered to the Shareholders through ordinary post / Registered post / Speed post / courier.

10. CONCLUSION

The Company shall endeavour to maintain a consistency in dividend payout, every year. The focus of the Company is to declare a Policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect.

11. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

12. DISCLAIMER

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's Equity Shares.